



Senate

General Assembly

February Session, 2006

File No. 37

Senate Bill No. 438

Senate, March 20, 2006

The Committee on Insurance and Real Estate reported through SEN. CRISCO of the 17th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

***AN ACT CONCERNING STATEMENTS MADE IN APPLICATIONS FOR
INDIVIDUAL HEALTH INSURANCE POLICIES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-485 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2006*):

3 (a) The insured shall not be bound by any statement made in an
4 application for an individual health insurance policy unless a copy of
5 such application is attached to or endorsed on the policy when issued
6 as a part thereof. If any such policy delivered or issued for delivery to
7 any person in this state is reinstated or renewed, and the insured or the
8 beneficiary or assignee of such policy makes written request to the
9 insurer for a copy of the application, if any, for such reinstatement or
10 renewal, the insurer shall, within fifteen days after the receipt of such
11 request at its home office or any branch office of the insurer, deliver or
12 mail to the person making such request, a copy of such application. If
13 such copy is not so delivered or mailed, the insurer shall be precluded
14 from introducing such application as evidence in any action or

15 proceeding based upon or involving such policy or its reinstatement or
16 renewal.

17 (b) No alteration of any written application for any such policy shall
18 be made by any person other than the applicant without [his] the
19 applicant's written consent, except that insertions may be made by the
20 insurer, for administrative purposes only, in such manner as to
21 indicate clearly that such insertions are not to be ascribed to the
22 applicant.

23 (c) The falsity of any statement in the application for any policy
24 covered by sections 38a-481 to 38a-488, inclusive, as amended, [may]
25 shall not bar the right to recovery [thereunder] under such policy
26 unless such false statement was made by an applicant who knew or
27 should have known the statement was false and such statement
28 materially affected either the acceptance of the risk or the hazard
29 assumed by the insurer.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2006	38a-485

INS *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill specifies that insurers cannot deny coverage under an individual health insurance policy because of a false statement in the insurance application except under certain circumstances. The bill has no fiscal impact.

The Out Years

There is no fiscal impact in the out years.

OLR Bill Analysis
SB 438

***AN ACT CONCERNING STATEMENTS MADE IN APPLICATIONS
FOR INDIVIDUAL HEALTH INSURANCE POLICIES.***

SUMMARY:

This bill specifies that insurers cannot deny coverage under an individual health insurance policy because of a false statement in the insurance application unless the (1) applicant knew or should have known that the statement was false (presumably at the time the application was completed) and (2) the misstatement is material (i.e., affected how the insurer acted on the application). Under current law, insurers may deny coverage if the misstatement is material.

EFFECTIVE DATE: July 1, 2006

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 14 Nay 1 (03/09/2006)